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RURAL ELECTRIFICATION ADMINISTRATION

CONSTRUCTION REPORT NO. 3. SEPTEMBER 8, 1937

This bulletin announces construction contracts signed and invitations to bid issued between September 2 and September 7, 1937:

CONSTRUCTION CONTRACTS

MINNESOTA 65 DAKOTA: The Dakota County Electric Cooperative, Farmington, Minnesota, has awarded a construction contract to the Langford Electric Co., Minneapolis, Minn., to build 205 miles of line. The low bid was for $178,429.30.

MINNESOTA 63 SCOTT: The Scott County Cooperative Electric Association, Jordan, Minn., has awarded a construction contract to the Acme Construction Company, St. Paul, Minn., to build 163 miles of line. The low bid was for $163,310.26.

MINNESOTA 56 CROW WING: The Crow Wing Cooperative Power & Light Company, Brainerd, Minn., has awarded a construction contract to the E. W. Wylie Company, St. Paul, Minn., to build 210 miles of line. The low bid was for $177,391.37.

MINNESOTA 18 DOUGLAS: The Douglas County Cooperative Light and Power Association, Alexandria, Minn., has awarded a construction contract to the Donovan Construction Co., St. Paul, Minn., to build 212 miles of line. The low bid was for $183,885.50.

NEBRASKA 49 HOWARD: The Howard County Rural Public Power District, St. Paul, Nebraska, has awarded a construction contract to the Charles Roebuck Construction Co., Omaha, Nebraska, to build 392.7 miles of line. The low bid was for $335,466.75.

SOUTH DAKOTA 6 UNION: The Union County Rural Power Company, Elk Point, South Dakota, has awarded a construction contract to the Jensen and Krage Company, Sioux City, Iowa, to build 197 miles of line. The low bid was for $96,165.96.

IDAHO 4B BONNER: The Northern Idaho Rural Electrical Rehabilitation Association, Inc., Sandpoint, Idaho, has awarded a construction contract to Fritz Ziebarth, Long Beach, California, to build 103.5 miles of line. The low bid was for $90,992.73.

INVITATIONS TO BID

GEORGIA 67 BACON: The Satilla Rural Electric Membership Corp., Alma, Georgia, has invited bids on the building of 460 miles of line. Bids will be opened Sept. 10.

INDIANA 8037 JAY: The Jay County Rural Electric Membership Corporation, Portland, Indiana, has invited bids on the building of 150 miles of line. Bids were opened September 7.

VIRGINIA 28 LANCASTER: The Northern Neck Electric Cooperative, Warsaw, Virginia, has advised that the date of opening bids for construction of the generating plant to energize 140 miles of line has been changed from August 10 to September 11.

RURAL ELECTRIFICATION ADMINISTRATION

PROGRESS BULLETIN
GENERAL - NO. 9.

SEPTEMBER 8, 1937

The Rural Electrification Administration today allotted $323,000 to the Arkansas Power & Light Company to build distribution lines in four scattered areas in Arkansas which are contiguous to the company's system and in which public or cooperative projects were deemed unfeasible.

The money is to be used for four separate project units, as follows:

	Amount	Miles	Customers
Section 1			
Conway, Pope, Yell	74,135	117.7	366
Section 2			
Independence, Izard, Sharp, White, Jackson	73,268	116.5	396
Section 3			
Boone, Marion, Newton, Searcy	89,537	127	465
Section 4			
Grant, Hot Spring, Garland, Clark, Saline	86,950	142	425
		503.2	1,652

These individual amounts are maximums which may be used for each unit. They total slightly more than $323,000; the difference will be adjusted among the projects.

In recounting the circumstances surrounding this allotment, Administrator John M. Carmody said:

"This allotment is the result of extended negotiations between the company officials and REA. The original proposal by the company embodied an arrangement whereby the company would set up borrowing organizations, cooperative in form, build the lines for them, furnish wholesale power, and service and maintain the lines. In payment the company proposed to take 75 percent of the revenue from the lines. The remaining 25 percent was to be used by the co-operative to amortize the Government loan and to meet its own small organization expenses.

"Subsequently a survey by REA indicated that the Arkansas areas in the company's application were so widely separated that they could not be unified in one cooperative.

"On the other hand, the areas to be served were too small and scattered, individually, to warrant formation of separate, independent and strong cooperatives to furnish the service.

"The nature of the project territory is such that only extremely low-cost lines will permit service to all residents on a comprehensive or area basis. It appears that any organization building the lines needs the advantage of low interest rates available from REA. The farmers in the project territory are eager for electric service and have indicated their satisfaction at the prospect of getting it from the company. We therefore proposed a direct loan to the company, and this was agreed upon."

REA officials and representatives of the company have held extended conferences, arranging details of the loan; immediately after approving the allotment, Administrator Carmody executed a loan contract for the project and approved the company's engineering specifications for the lines. Construction will start as soon as materials can be assembled on the job.

In addition to this allotment, REA allotted funds for several other projects, as follows:

NEW ALLOTMENTS

ILLINOIS 8026W IROQUOIS Eastern Illinois Power Cooperative, Watseka, Illinois.	Allotment of $30,000 to finance house wiring and plumbing installations for about 250 customers. A total of $700,000 has been allotted for distribution lines.
NEBRASKA 8004W POLK Polk County Rural Public Power District, Stromsburg, Nebraska.	Allotment of $5,000 to finance house wiring and plumbing installations for about 50 customers. A total of $367,500 has been allotted for distribution lines and the first section is now under construction.
NORTH DAKOTA 8008W BENSON Baker Electric Cooperative, Inc., Baker, North Dakota.	Allotment of $3,000 to finance house wiring and plumbing installations for about 45 customers. A total of $60,000 has been allotted for distribution lines and the first section is now under construction.
OKLAHOMA 8006W CADDO Caddo County Electric Cooperative, Albert, Oklahoma.	Allotment of $7,000 to finance house wiring and plumbing installations for about 70 customers. A total of $180,000 has been allotted the project for distribution lines and the first section is now under construction.

OREGON 8014W UMATILLA
Umatilla Electric Cooperative Association,
Hermiston, Oregon.

Allotment of $15,000 to finance house wiring and plumbing installations for about 150 customers. A total of $129,000 has been allotted for distribution lines to be built by this organization.

VIRGINIA 29 NELSON
(Cooperative being formed)
J. B. Whitehead, Lovington, Virginia - Correspondent.

Partial allotment of $100,000 out of $141,000 requested to build 129 miles of line to serve 391 customers in Nelson, Rockbridge, Amherst, Appomattox and Albermarle Counties. Wholesale power may be supplied by the Virginia Public Service Company.